

Message Text

CONFIDENTIAL

PAGE 01 ROME 05554 241742Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 USIA-06
AID-05 COME-00 EB-08 FRB-03 TRSE-00 XMB-02
OPIC-03 LAB-04 SIL-01 OMB-01 OES-07 /095 W
-----122390 250553Z /20

R 241620Z MAR 78
FM AMEMBASSY ROME
TO SECSTATE WASHDC 1588
INFO AMCONSUL FLORENCE
AMCONSUL GENOA
AMCONSUL MILAN
AMCONSUL NAPLES

CONFIDENTIAL ROME 05554

E.O. 11652: GDS
TAGS: ENRG, PINT, IT
SUBJECT: MONTI'S FINANCIAL DIFFICULTIES AND POSSIBLE SALE OF
NEWSPAPERS

REF: ROME 4885

1. ATTILO MONTI, ONE OF ITALY'S LARGEST PRIVATE ENTREPRENEURS WITH REPORTED ASSETS OF OVER LIRE 300 BILLION, CONTROLS A RANGE OF ECONOMIC ACTIVITIES, MAIN ELEMENTS OF WHICH ARE: (A) PETROLEUM REFINING (ACCOUNTING FOR ABOUT 10 PERCENT OF ITALIAN REFINING CAPACITY) AND RETAIL GASOLINE DISTRIBUTION NETWORK (OBTAINED FROM BP), (B) SUGAR REFINING (WHICH ACCOUNTS FOR 37 PERCENT OF DOMESTIC SUGAR MARKET) AND (C) NEWSPAPER CHAIN OF WHICH MOST IMPORTANT ARE IL RESTO DEL CARLINO OF BOLOGNA AND LA NAZIONE OF FLORENCE. REPORTEDLY NEWSPAPERS ARE MAKING A REASONABLE PROFIT AND SUGAR REFINING IS DOING EVEN BETTER, BUT LARGE PETROLEUM SECTOR HAS BEEN LOSING SUBSTANTIAL AMOUNTS OF MONEY, LARGEMLY AS A RESULT OF OVERCAPACITY IN ITALIAN MARKET.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ROME 05554 241742Z

2. MONTI'S FINANCIAL DIFFICULTIES HAVE BEEN COMMON KNOWLEDGE FOR SOME TIME, AS HAVE HIS EFFORTS TO REDUCE HIS LOSSES IN PETROLEUM SECTOR, ESPECIALLY THROUGH SALE OF REFINERIES. WHILE THE MONTI GROUP'S FINANCIAL POSITION IS NOT GOOD, BEST INFORMATION IS THAT PROBLEM IS ESSENTIALLY THAT OF OVER INDEBTEDNESS, AND HIS SITUATION

IS NOT SIGNIFICANTLY WORSE THAN THAT OF MANY OTHER
LARGE ENTERPRISES IN THE PRIVATE SECTOR.

3. RECENTLY MONTI APPROACHED EMBASSY TO SEEK ASSISTANCE
IN FINDING CUSTOMERS FOR SERVICES OF HIS OIL REFINERIES
OR BUYERS OR INVESTORS FOR ALL OR PART OF HIS PETROLEUM
REFINING AND DISTRIBUTION CHAIN. MONTI'S PREFERENCE
WAS FOR OBTAINING LARGE REFINING ORDERS OR FOR ADDI-
TIONAL CRUDE TO REFINE AND SELL ON OWN ACCOUNT. AS
ALTERNATIVE, HE WOULD CONSIDER SOME FORM OF INVESTMENT,
JOINT ENTERPRISE OR COMPLETE TAKEOVER OF THIS SECTOR.
WHILE ASSERTING THAT THESE REQUESTS SHOULD BE VIEWED
AS NORMAL COMMERCIAL TRANSACTIONS, MONTI INDICATED
A GENERAL DESIRE TO LESSEN THE PACE OF HIS ECONOMIC
ACTIVITY (HE IS OVER 70 AND HAS NO FAMILY ABLE TO DIRECT
HIS ENTERPRISES) AND IMPLIED THAT OUTCOME OF HIS
EFFORTS TO REDUCE HIS LOSSES IN PETROLEUM SECTOR WOULD
AFFECT FUTURE OF IL RESTO AND LA NAZIONE, WHICH, AS
THE LEADING CENTRIST NEWSPAPERS IN THE COMMUNIST-
CONTROLLED REGIONS OF TUSCANY AND EMILIA-ROMAGNA,
ARE OF GREAT IMPORTANCE TO SURVIVAL OF DEMOCRACY
IN ITALY.

4. IN SUBSEQUENT DISCUSSION WITH MONTI'S STAFF,
EMBASSY INDICATED THERE DID NOT SEEM TO BE MUCH USG
COULD DO TO ASSIST HIM IN CONTEXT OF COMMERCIALLY-
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ROME 05554 241742Z

VIABLE PROPOSITIONS. EMBASSY DOUBTED THERE WAS
ADVANTAGE TO HAVING USG ADVISE US OIL COMPANIES ABOUT
BUSINESS OPPORTUNITY OFFERED BY MONTI AND SUGGESTED
THAT HE MAKE HIS OWN CASE DIRECTLY WITH OIL COMPANIES.
IN RESPONSE TO HIS SUGGESTION THAT US COULD SEEK TO
INTEREST ONE OR MORE OIL PRODUCING COUNTRIES IN USE
OR PURCHASE OF HIS REFINERIES, EMBASSY SUGGESTED
THAT ITS ABILITY TO INFLUENCE GOVERNMENTS IN SUCH A
MATTER WAS SEVERELY LIMITED.

5. COMMENT: MONTI'S TWO NEWSPAPERS DO INDEED PLAY
VERY IMPORTANT ROLE IN THE STRUGGLE FOR IDEAS IN
ITALY. IF THESE WERE TO FALL INTO HANDS OF THE LEFT,
IT WOULD BE A SERIOUS BLOW TO OUR INTERESTS IN ITALY.
IN ADDITION, MONTI HAS IN THE PAST PROVIDED IMPORTANT
FINANCIAL SUPPORT TO THE DC PARTY. HIS CURRENT DIF-
FICULTIES WILL REPORTEDLY LIMIT HIS ABILITY TO PROVIDE
SUCH SUPPORT IN THE FUTURE. ON THE OTHER HAND, WE
DO NOT SEE APPROPRIATE ACTION THAT WE COULD TAKE TO
ASSIST MONTI IN IMPROVING HIS ECONOMIC POSITION;
DEMOCRATIC FORCES IN ITALY OBVIOUSLY WILL HAVE TO
SEE TO IT THAT CONTROL OF HIS PAPERS DO NOT MOVE

TO THE OTHER SIDE. IN THIS REGARD, HE IS ALSO SEEKING TO HAVE ENI, STATE HYDROCARBONS AGENCY, BUY OR OPERATE SOME OF HIS REFINING OPERATIONS. ALTHOUGH ENI IS RESISTING, IT REMAINS TO BE SEEN WHETHER THE GOI WILL BRING SUFFICIENT PRESSURE ON ENI TO SOLVE MONTI'S REFINERY PROBLEMS, THEREBY REDUCING PRESSURE TO DIVEST HIMSELF OF NEWSPAPER INTERESTS.GARDNER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, NEWSPAPERS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ROME05554
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780131-0877
Format: TEL
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780328/aaaaaxhx.tel
Line Count: 123
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 11cbadbd-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 ROME 4885
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3211583
Secure: OPEN
Status: NATIVE
Subject: MONTI'S FINANCIAL DIFFICULTIES AND POSSIBLE SALE OF NEWSPAPERS
TAGS: ENRG, PINT, IT, (MONTI, ATTILIO)
To: STATE
Type: TE
vdkgvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/11cbadbd-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014